

REVENUE DEPARTMENT[701]

Adopted and Filed

Pursuant to the authority of Iowa Code chapter 17A and section 421.17, the Department of Revenue hereby amends Chapter 71, "Assessment Practices and Equalization," Iowa Administrative Code.

The adopted amendment pertains to the determination of the agricultural factor and explains the process used to compute the factor so that there will be no major increases or decreases in it over time.

Notice of Intended Action was published in IAB Volume XXXII, Number 14, pages 1712-1713, on December 30, 2009, as **ARC 8428B**. This amendment is identical to that published under Notice of Intended Action.

This amendment will become effective March 31, 2010, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

This amendment is intended to implement Iowa Code section 441.21.

The following amendment is adopted.

Amend rule **701—71.3(421,428,441)**, third unnumbered paragraph, as follows:

In order to determine a productivity value for agricultural buildings and structures, assessors ~~shall~~ must make an agricultural adjustment to the market value of these buildings and structures by developing an "agricultural factor" for ~~their jurisdiction~~ the assessors' jurisdictions. The agricultural factor for each jurisdiction ~~shall be~~ is the product of the ratio of the productivity and net earning capacity value per acre as determined under subrule 71.12(1) over the market value of agricultural land within the assessing jurisdiction. The resulting ratio is then applied to the actual value of the agricultural buildings and structures as determined under the Iowa Real Property Appraisal Manual prepared by the department. The agricultural factor ~~shall~~ must be applied uniformly to all agricultural buildings and structures in the assessing jurisdiction. As an example, if a building's actual value is \$500,000 and the agricultural factor is ~~50~~ 30 percent, the productivity value of that building is ~~\$250,000~~ \$150,000. See *H & R Partnership v. Davis County Board of Review*, 654 N.W.2d 521 (Iowa 2002). The 2007, 2008, and 2009 average of the market value of land will be used in determining the agricultural factor for assessment year 2011. A five-year market value average of land for years used to determine the productivity formula will be used to determine the agricultural factor for assessment year 2013 and subsequent assessment years.

[Filed 2/4/10, effective 3/31/10]

[Published 2/24/10]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/24/10.